

BURR & FORMAN LLP
420 North 20th Street
Suite 3100
Birmingham, Alabama 35203
(205) 251-3000
Michael Leo Hall

Hearing Date at Time: December 20, 2007 at 10:00 a.m.

Attorney for Creditors
MERCEDES-BENZ U.S. INTERNATIONAL, INC.
AND MERCEDES-BENZ AG

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
:
DELPHI CORPORATION et al.¹ : Case No. 05-44481 (RDD)
:
Debtors. : (Jointly Administered)

**LIMITED OBJECTION BY MERCEDES-BENZ U.S. INTERNATIONAL, INC., AND
MERCEDES-BENZ AG TO ASSUMPTION/ASSIGNMENT OF CONTRACT AND
MOTION TO SELL**

COME NOW Mercedes-Benz U.S. International, Inc. and Mercedes-Benz AG (individually and collectively, "MB") and file this objection, as customers, to the assumption and/or assignment of the contractual relationship between MB and the Sellers identified in that

¹ In addition to Delphi, the following entities are debtors in these related cases: ASEC Manufacturing General Partnership, ASEC Sales General Partnership, Aspire, Inc., Delco Electronics Overseas Corporation, Delphi Automotive Systems (Holding), Inc., Delphi Automotive Systems Global (Holding), Inc., Delphi Automotive Systems Human Resources, LLC, Delphi Automotive Systems International, Inc., Delphi Automotive Systems Korea, Inc., Delphi Automotive Systems LLC, Delphi Automotive Systems Overseas Corporation, Delphi Automotive Systems Risk Management Corp., Delphi Automotive Systems Services LLC, Delphi Automotive Systems Tennessee, Inc., Delphi Automotive Systems Thailand, Inc., Delphi China LLC, Delphi Connection Systems, Delphi Diesel Systems Corp., Delphi Electronics (Holding) LLC, Delphi Foreign Sales Corporation, Delphi Integrated Services Solutions, Inc., Delphi International Holdings Corp., Delphi International Services, Inc., Delphi Liquidation Holding company, Delphi LLC, Delphi Mechatronic Systems, Inc., Delphi Medical Systems Colorado Corporation, Delphi Medical Systems Corporation, Delphi Services Holding Corporation, Delphi Technologies, Inc., DREAL, Inc, Environmental Catalysts, LLC, Exhaust Systems Corporation, Packard Hughes Interconnect Company, Specialty Electronics, Inc., Specialty Electronics International Ltd., In re Delphi Furukawa Wiring Systems LLC, In re Delphi Receivables LLC, and In re Mobilearia, Inc.

certain notice of assumption and/or assignment filed by the Debtors in this case on November 16, 2007 and further, as creditors of the estate, object to the Debtors' motion to sell the assets of the Debtors' Interiors and Closure Division dated October 16, 2007.

1.

MB finds itself in the awkward position of objecting, on a limited and precautionary basis, to a sale and to an assumption and assignment that MB very much wants to occur if the entire contractual relationships involving MB is properly assumed.

2.

While MB applauds the Debtors diligence in filing its notice of assumption and assignment approximately two weeks prior to the deadline for doing so, the inadvertent practical effect of a filing late in the day on the Friday before Thanksgiving weeks is to convert a nominal 10 day response period to one of 2 working days before a response must be on its way. Due to the short notice and the unavailability of certain people during the holiday week, MB has simply not had the time to review the Debtors' notice in sufficient detail to determine the adequacy of its description of the contractual relationship with MB and accordingly must file this objection to preserve its rights.

3.

It should also be noted that the Debtors, their counsel, and the Buyers have been extremely solicitous and accommodating with respect to these matters, have provided information to MB (as a major customer of the division being sold) in advance of the filing of the notice, and have given repeated assurances that it is the intention of the parties that the entire contractual relationship involving MB will be assumed and that adequate assurance of future performance will be provided as to all obligations including warranty obligations for product shipped both before and after the Closing. MB has every anticipation that a quick exchange of

information and some assurances on the record will allow it to withdraw this objection in its entirety.

4.

Accordingly, and subject to the foregoing, MB (as customer) objects to the assumption and/or assignment of the contractual relationship with MB described in the referenced notice (a) on the grounds that the notice inadequately describes the MB contractual relationships and the Debtor's proposal does not constitute a full assumption of the MB contractual relationship with all of its obligations as required by 11 U.S.C. § 365 and (b) on the grounds that the Debtors have not provided adequate assurance of future performance with respect to all of the obligations under the MB contractual relationships as required by 11 U.S.C. § 365.

5.

Additionally, MB (as creditor) objects to the sale to the extent that the status of all of the major contractual relationships (with respect to MB and others) is not defined at the sale hearing and in the sale order. While this may be a permissible procedure with respect to contractual parties under 11 U. S.C. § 365, it does not provide either the general creditors or the court sufficient information at the sale hearing to evaluate the proposed sale under 11 U.S.C. § 363.

Wherefore, MB respectfully requests, that the proposed assumption and/or assignment with respect to MB be denied, that the sale not be approved, and such other relief as is appropriate unless the deficiencies noted above are resolved.

Dated: Birmingham, Alabama
November 21, 2007

Respectfully submitted,

BURR & FORMAN LLP

By:/s/ Michael Leo Hall

Michael Leo Hall (*admitted pro hac vice*)
Jennifer A. Harris (*admitted pro hac vice*)

420 North 20th Street
Suite 3400
Birmingham, Alabama 35203
(205) 251-3000

-and-

Paul Burke O'Hearn (*admitted pro hac vice*)
Graham H. Stieglitz (*admitted pro hac vice*)
BURR & FORMAN LLP
171 17th Street, N.W.
Suite 1100
Atlanta, Georgia 30363
(404) 815-3000 [dial]
(404) 214-7923 [facsimile]

*Attorneys for Mercedes-Benz U.S. International,
Inc. and Mercedes-Benz AG*

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420 North 20th Street
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Attorneys for Creditor
MERCEDES-BENZ U.S. INTERNATIONAL, INC.
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	Chapter 11
DELPHI CORPORATION <u>et al.</u> ¹	:	Case No. 05-44481 (RDD)
Debtors.	:	(Jointly Administered)

CERTIFICATE OF SERVICE

I hereby certify that, on November 21, 2007, I served the *Limited Objection by Mercedes-Benz U.S. International, Inc., and Mercedes-Benz AG to Assumption/Assignment of Contract and Motion to Sell* as follows:

1. By transmitting a copy by means of overnight mail, by placing same in a sealed envelope with account number affixed thereto and marked "overnight priority," addressed to (i)

Delphi Automotive Systems LLC, 5725 Delphi Drive, Troy, Michigan 48098 (Att'n: Legal Staff), (ii) Delphi Corporation, 5725 Delphi Drive, Troy, Michigan 48098 (Att'n: Deputy General Counsel, Transactions & Restructuring), (iii) counsel to the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606 (Att'n: Ron E. Meisler and Brian M. Fern), (iv) counsel for the agent under the postpetition credit facility, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017 (Att'n: Donald Bernstein and Brian Resnick), (v) counsel for the official committee of unsecured creditors, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022 (Att'n: Robert J. Rosenberg and Mark A. Broude), (vii) counsel for the official committee of equity security holders, Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, New York 10004 (Att'n: Bonnie Steingart), (viii) counsel for the Buyers, Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281 (Att'n: Mike Ryan), and (ix) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, Suite 2100, New York, New York 10004 (Att'n: Alicia M. Leonhard), and causing same to be placed into an official depository of Federal Express located within the State of Alabama.

2. By transmitting a copy by means of overnight mail, by placing same in a sealed envelope with account number affixed thereto and marked "overnight priority," addressed to each of the persons listed in the "Master Service List" dated November 15, 2007, and causing same to be placed into an official depository of Federal Express located within the State of Alabama.

3. I further served the Objection by electronic mail, or U.S. mail where an e-mail address was not provided, on all those persons listed in the "2002 List" dated November 15, 2007.

Dated: November 21, 2007
Birmingham, Alabama

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